



March 2014

Department of Resources Recycling and Recovery (CalRecycle)

TIRE INCENTIVE PROGRAM APPLICATION GUIDELINES & INSTRUCTIONS

1st Cycle (TIP1) Fiscal Year 2013/14

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GRANT CYCLE OVERVIEW

This resource document provides applicants with a cycle overview, instructions about how to access and complete the application online, and information about grant administration. The online application can be accessed on [Grant Management System Web \(GMSWeb\) webpage](http://www.calrecycle.ca.gov/Grants/GMS/default.htm) (<http://www.calrecycle.ca.gov/Grants/GMS/default.htm>).

The Department of Resources Recycling and Recovery (CalRecycle) offers the Tire Incentive Program (TIP) pursuant to Section 42872 of the Public Resources Code. The purpose of the grant is to expand commercial (business) demand for different and higher-value tire-derived products (TDP) by providing financial incentives to eligible manufacturers to more competitively price and market their TDPs, thereby increasing sales and market share.

TIMELINE FOR TIRE INCENTIVE PROGRAM, FY 2013/14

Date	Activity
April 11, 2014	Question and Answer Period <ul style="list-style-type: none">• Questions may be submitted from application release date to this date• Questions must be submitted by email
April 17, 2014	<ul style="list-style-type: none">• All answers will be posted (tentative)
April 28, 2014	Application Due Date <ul style="list-style-type: none">• Applications must be submitted in GMSWeb by 11:59 p.m. on this date• Customer service will be available until 4:00 p.m. on this date
May 2014	Grants Awarded CalRecycle considers funding recommendations, and if approved, conditionally awards grants during this month (tentative)
April 1, 2016	Grant Term Notice to Proceed to this date
April 1, 2016	Final Report and final Payment Request and Request for 10 percent withhold Deadline

ELIGIBLE APPLICANTS

Eligible applicants include:

- Manufacturers that produce (or will produce) an eligible product.
- Waste tire processors that also manufacture an eligible product.
- Rubber compounders.
- Manufacturers of calendered rubber sheeting products.

Incentives will only be paid at the point in which a TDP is manufactured, or in the case of compounders or calendered rubber companies, an intermediate product is produced. Incentives will not be paid to wholesalers, distributors, brokers, vendors, etc.

An eligible applicant may produce its own products or on a contract basis for other companies. Eligible applicants that produce products on a contract basis for other companies must demonstrate that they have the other company's permission, as demonstrated by the Client Authorization Letter (described under *Applicant Documents* section), to produce the product and receive the incentive.

An eligible applicant must have been fully operational for at least three years and profitable (positive net profit and positive earnings before interest, taxes, depreciation and amortization [EBITDA]) in the most recent tax year (as evidenced by federal tax return information). Start-up businesses or individuals (without an otherwise eligible manufacturing business) with an idea for a new or improved TDP are not eligible.

Eligible applicants must be California-based or incorporated in another state with an existing manufacturing facility in California. The applicant must be qualified to do business in California and in good standing with all applicable California state agencies, including, but not limited to, the Secretary of State and the Franchise Tax Board and have all appropriate licenses and permits. Any and all subsidiaries, divisions and/or affiliated businesses are considered part of the primary business entity for the purpose of applying for and receiving a grant award under the TIP. A business is considered an “affiliated business” if it has at least one owner with a 20 percent or greater interest in another applicant business.

ELIGIBLE PRODUCTS

Eligible tire-derived products include:

- An existing product that has not benefited from the TDP Grant Program.*
- A new product or an existing product manufactured with virgin rubber produced with a minimum of five percent crumb rubber (also known as “feedstock conversion”).
- A new or existing product currently manufactured with virgin rubber, plastic, or other raw material produced with a minimum of five percent crumb rubber using either:
 - a. Fine (≤ 50) mesh crumb rubber,** and/or
 - b. Rubber co-extruded, injected, calendered or otherwise combined with rubber, plastic, or other raw materials.

**TDPs which received minimal benefit (grantee awards for the TDP totaling less than \$1,000,000 since fiscal year 2005/06) or that are reconfigured to serve a different purpose/market are eligible.*

***Particle size and particle size distribution are determined in accordance with ASTM D5644.*

Critical elements that affect the eligible product category are:

- **Existing TDP** – The product is currently being produced or is reconfigured to serve a different purpose/market. However, the product does not require reformulation and formal testing/certification.
- **Feedstock conversion** – The product was previously produced with virgin rubber and requires reformulation and, perhaps, testing/certification. Also included are new products, with documented strong likelihood of demand, which require formulation and testing/certification.
- **Fine mesh or when combined with other materials** – The product must use fine (≤ 50) mesh crumb rubber and/or be chemically or physically combined with another raw material. The mere fastening or inclusion of a rubber part on a product made with another material does not qualify for this category. However, the rubber part may qualify as an **existing TDP**.

Applicants are encouraged to request funding for more than one product, including products manufactured for non-applicant businesses. Products developed with support from the previous Tire-Derived Product Business Assistance Program are eligible.

All products are subject to the following requirements:

- All crumb rubber must be from California-generated waste tires processed in California. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, CalRecycle considers crumb rubber from a California processor eligible for reimbursement even if a de minimis amount (not more than five percent) of the tires processed during a fiscal year at a facility were from non-California sources. Crumb rubber, from tires processed outside California, is not eligible under the TIP.

- All of the crumb rubber used in TIP products by a grantee during the term of the grant shall be:
 - From an eligible California waste tire processor, or
 - Recycled post-consumer and/or post-industrial scrap rubber from which the rubber originated from an eligible California waste tire processor.

Examples of eligible products may include, but are not limited to:

- Flooring
- Industrial products
- Conveyor belts
- Calendered rubber
- Agricultural products
- Landscape and garden products
- Building products
- Traffic safety products
- Fencing
- Roofing products
- Paints
- Sealants and coatings
- Pour-in-place cushion layer which uses crumb (not buffings), chipped tire rubber (not shredded buffings), or wear layer crumb (not buffings) which replace ethylene propylene diene monomer (EPDM) and thermoplastics vulcanizates (TPV)
- Synthetic turf underlayment (not loose infill)
- Americans with Disabilities Act (ADA) leveling and accessibility ramps, etc.

Ineligible products include:

- Crumb rubber (as a singular, intermediate product)
- Tire-derived aggregate
- Rubber mulch or bark
- Rubberized sidewalks and tree wells
- Loose-fill or pour-in-place surfacing (except for use in the cushion and wear layers as noted above)
- Tiled recreational surfacing
- Floor and agricultural mats
- Sports tracks
- Synthetic turf infill and similar type products which may have benefited from the TDP Grant Program and any previous grant program

All grantees are required to provide quarterly Progress Reports (confidential information) and a Final Report (public information) more completely described in the Procedures and Requirements. Information regarding progress of the TIP project includes:

- The total quantity and mesh size of the crumb rubber purchased (including sieve analysis), the California processor providing the crumb rubber, the amount used in each of the eligible products, and the quantity and sale price for each eligible TDP sold.
- Sales information (including customer contact information) for the identified product(s) during the reporting period.
- A narrative describing the progress, any delay or acceleration of timelines, any changes to initially projected sales, and any significant changes to the project/product. Also describe any testing activity, the facility performing the testing, and the results.
- Any changes in contact information or changes to the project/products.

AVAILABLE FUNDS

- A total of \$ 1,837,306 is available for this grant cycle, fiscal year (FY) 2013/14, subject to funding availability.
- Individual grant awards range from \$50,000 (minimum) to \$500,000 (maximum).

Available funds will be initially allocated in approximately equal amounts per category (see *Eligible Products*). To ensure that the TIP is not overly concentrated in one grantee, no more than 30 percent of TIP available funds will be awarded to a single grantee.

GRANT TERM

The Grant Term begins on the date indicated in the Notice to Proceed. The Grant Term ends on April 1, 2016. This is also the date the Final Report and final Payment Request are due to CalRecycle.

Grant-eligible program expenditures may start no earlier than the date indicated in the Notice to Proceed. Eligible program costs must be incurred no later than April 1, 2016.

ELIGIBLE COSTS AND INCENTIVE AMOUNTS

Eligible costs may be incurred only during the Grant Term which starts when the grantee receives a Notice to Proceed from CalRecycle and ends on April 1, 2016 (*see "Grant Term" for additional information*).

Eligible costs include crumb rubber usage as follows:

- For **existing TDPs**, the incremental increase in usage of crumb rubber (compared with the previous year's records) for the production of an eligible product.
- For **feedstock conversion**, the crumb rubber usage for new or existing TDPs manufactured with virgin rubber substituted with a minimum of five percent crumb rubber.
- For **fine mesh or when combined with other materials**, the crumb rubber usage for new or existing TDPs currently manufactured with virgin rubber, plastic, or other raw materials. The TDP must be produced either with a minimum of five percent crumb rubber and the crumb rubber used must be fine (≤ 50) mesh or co-extruded, injected, calendered, or otherwise combined with plastic or other materials.

The TIP incentive payments are paid quarterly for the incremental use (more than the quarterly average of the prior full year use) of crumb rubber for eligible products at the rate described below:

Incentive Categories and Amounts

Incentive Category	Incentive per pound
1. Existing TDP	<u>10 cents</u> for increase in crumb rubber used
2. Feedstock conversion*	<u>20 cents</u> for total crumb rubber used
3. Fine (≤ 50) mesh or when combined with other materials*	<u>20 cents</u> for total crumb rubber used

Feedstock conversion **AND fine (≤ 50) mesh or when combined with other materials receive **40 cents** per pound for the total crumb rubber used*

Crumb rubber usage must be documented on the Tire Incentive Program Certification form (CalRecycle 774) and is subject to verification and confirmation by CalRecycle. CalRecycle reserves the right to adjust an applicant's crumb rubber estimates, if deemed appropriate, prior to calculating grant award amounts.

The incentive payment will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).

INELIGIBLE COSTS

Ineligible costs include, but are not limited to:

- Costs incurred prior to receipt of the Notice to Proceed letter or after April 1, 2016.
- Crumb rubber or recycled rubber that is NOT made from only California-generated waste tires or is made from tires processed outside of California (see *Eligible Products*).
- Personnel costs including fringe benefits.
- Overhead and/or indirect costs.
- Any other costs deemed unreasonable or unrelated to the purpose of the grant by the Grant Manager.

EXAMPLES OF ELIGIBLE AND INELIGIBLE SCENARIOS

Eligible Scenarios

Category 1, Existing TDP

- California Mulch is a 20 year old profitable company that is a TDP manufacturer (rubber mulch and various molded products). While rubber mulch is specifically ineligible, the company may be eligible for its molded products (see *Eligible Products*). The company believes that it can produce and sell 1,500,000 pounds per year (increasing sales from 900,000 pounds per year) of three eligible TDPs. The company may be eligible for: \$120,000 (600,000 pounds X 2 years X .10 cents per pound).
- Whole Tire Recycling is a 14 year old company that is both a waste tire processor and TDP manufacturer (rubber mulch and various molded products). While production of crumb rubber (as a singular, intermediate product) and rubber mulch are specifically ineligible, the company may be eligible for its molded products. The company believes it can produce and sell 2,000,000 pounds per year (increasing sales from 900,000 pounds per year) of four eligible TDPs. The company may be eligible for: \$220,000 (1,100,000 pounds X 2 years X .10 per pound).
- World-Wide Flooring is a 22 year old profitable company that produces eligible TDPs (flooring and underlayment). The company believes that it can produce and sell 10,000,000 pounds per year (increasing sales from 7,500,000 pounds per year) in eligible TDPs. The company may be eligible for: \$500,000 (2,500,000 pounds X 2 years X .10 per pound).

Category 2, Feedstock Conversion

- Whole Products is a 50 year old profitable company that produces and sells virgin rubber products and a few eligible TDPs (various construction and agricultural products). The company believes that it can reformulate three products by substituting 15 percent (30 mesh) crumb rubber for virgin rubber and produce and sell 2,500,000 pounds per year (including 375,000 pounds of crumb rubber). The company believes it will take an average of three months to determine the proper percentage of crumb rubber and perform appropriate testing. The company may be eligible for: \$131,250 (375,000 pounds X 1.75 years [2 years minus 3 months development time] X .20 per pound).
- Custom Production is a 35 year old profitable company that produces a variety of products on a contract basis for other companies to sell. The company has appropriate written authorization from five companies to use an appropriate amount of crumb rubber in a total of 15 products which are currently produced with virgin rubber. The company believes that it can reformulate 15 products by substituting 10 percent (30 mesh) crumb rubber for virgin rubber and produce 3,000,000 pounds per year (including 300,000 pounds of crumb rubber). The company believes it will take an average of three months to determine the proper percentage of crumb rubber and perform appropriate testing. The company may be eligible for: \$105,000 (300,000 pounds X 1.75 years [2 years minus 3 months development and testing time] X .20 per pound).

Category 3, Fine Mesh or Combined with Other Materials

- United Resources is a 10 year old profitable company that produces and sells plastic products. After receiving technical assistance from the Tire-Derived Product Business Assistance Program, the company has an existing product that has been formulated to use crumb rubber. The product uses 15 percent (30 mesh) crumb rubber combined with plastic. Although this is an existing product that has been reformulated, sales are anticipated to use 500,000 pounds of crumb rubber

per year. The company may be eligible for: \$200,000 (500,000 pounds X 2 years X .20 per pound).

- Cross Link Industries is a 35 year old company that produces a variety of products, including a floor coating product. The product uses 50 mesh crumb rubber combined with epoxy material. The company believes it can increase sales and use an additional 250,000 pounds of crumb rubber per year. The company may be eligible for: \$100,000 (250,000 pounds X 2 years X .20 per pound).

Both Feedstock Conversion and Fine Mesh or Combined with Other Materials

- Acme Traffic is a 10 year old profitable company that produces a variety of traffic safety devices and construction products. The company produces a plastic traffic cone that it believes can be reformulated and combined with rubber to produce a stronger, more resilient product. The reformulated product will use 30 mesh crumb rubber combined with plastic. The company anticipates it will take 6 months to properly reformulate and test the product. It then believes that it can produce and sell enough products to use 350,000 pounds of crumb rubber per year. The company may be eligible for: \$210,000 (350,000 pounds X 1.5 years [2 years minus 6 months development and testing time] X .40 per pound).
- In addition to its (category 1) TDPs, World-Wide Flooring wants to complement its product line by reformulating baseboard and molding products which currently use virgin rubber to use 50 mesh crumb rubber. The company anticipates that it will take 6 months to properly reformulate and test the products. It then believes that it can produce and sell enough products to use 450,000 pounds of crumb rubber per year. The company may be eligible for: \$270,000 (450,000 pounds X 1.5 years [2 years minus 6 months development and testing time] X .40 per pound).
- Rubber Fabricators is a 15 year profitable company that produces calendered rubber products. The company wants to reformulate three of its rubber sheet products to use 10 percent of 50 mesh crumb rubber. The company anticipates that it will take 4 months to properly reformulate and test the products. It then believes that it can produce and sell enough products to use 600,000 pounds of crumb rubber per year. The company may be eligible for: \$400,800 (600,000 pounds X 1.67 years [2 years minus 4 months development and testing time] X .40 per pound).

Ineligible Scenario

An individual, who is not an eligible applicant, has an idea for a new product which they believe will consume a significant amount of crumb rubber. The individual is not eligible.

ENVIRONMENTALLY PREFERABLE PURCHASES AND PRACTICES POLICY REQUIREMENT

Consistent with CalRecycle's core values, all grant applicants are required to develop, adopt and implement an Environmentally Preferable Purchasing and Practices (EPPP) Policy for their organizations. Applicants must have an Environmentally Preferable Purchasing and Practices EPPP Policy in place prior to submitting their application and certify this fact in the application.

To see concepts/policies that CalRecycle encourages organizations to include in their EPPP Policies open the EPPP Information document located in the Resource Document section of the grant application.

QUESTION-AND-ANSWER PROCESS

Because this is a competitive grant program, CalRecycle or its contractors cannot answer any questions about your application or products except through the Question and Answer Process. Questions regarding the application and its requirements must be in writing and received by April 11, 2014, via email at: Grants@Calrecycle.ca.gov. Questions received by any other method or after April 11, 2014, will not be accepted.

Periodically during the Question and Answer (Q&A) period, Q&As will be posted on the Q&As website. The Q&A website can be accessed from the Notice of Funds Available or from the application. Similar or related questions may be grouped together or re-worded for clarity and responded to as one question. All Q&As will be posted approximately one week after the deadline and are subject to updates. It is the applicant's responsibility to check this website for the latest information.

CONFIDENTIALITY

We appreciate applicants' desire to treat certain documents provided to CalRecycle as confidential. The following describes what is considered confidential or proprietary information" under the California Public Records Act ([Government Code](#) 6250, et seq.) and related regulations. It also describes how questions are resolved whether information is truly confidential, the legal protections for confidential information, and internal and program procedures to maintain confidentiality.

What is "confidential?"

Title 14 of the California Code of Regulations (14 CCR), [sections 17041-17046](#), states that confidential or proprietary information shall include, but is not limited to:

- (1) Personal or business-related financial data, customer client lists, supplier lists and other information of a proprietary or confidential business nature provided by persons in applications, reports, returns, certifications or other documents submitted to the Board which if released would result in harmful effects on the person's competitive position.
- (2) Tax information prohibited from disclosure, pursuant to the [Revenue and Taxation Code](#).

Accordingly, appropriate documents submitted with an application that are clearly marked, on each page, "confidential information" or "proprietary information" will be treated by CalRecycle pursuant to the procedures set forth in 14 CCR sections 17041-17046.

However, the mere marking of documents (such as sales brochures, promotional literature and other general non-financial documents) as "confidential information" or "proprietary information" will not result in their being treated as confidential if they do not fall within the categories of protected financial documents listed above.

What if there is a question about what is confidential?

If CalRecycle received a request to disclose data claimed by the applicant to be confidential, CalRecycle would notify the applicant of the request and that it was reviewing the documents to determine whether information was correctly identified as "confidential." If there was any question whether specific information was confidential, CalRecycle would contact the person(s) identified in the application to provide a justification and statement why the information is confidential. The process for evaluating confidentiality claims is set forth in 14 CCR 17046.

What program procedures will keep information confidential?

Financial information will be analyzed, on a need-to-know basis, by staff from either the TIP or the Recycling Market Development Zone Loan Program, kept confidential, and will be maintained with restricted access. Grantee businesses will agree to provide specific key financial information for three years to develop benchmarks to evaluate the program. Records no longer needed to provide the services offered under the TIP will be periodically destroyed, when allowed by audit policies and state law.

APPLICATION INSTRUCTIONS

APPLICATION ACCESS

The application is available in CalRecycle's web-based Grants Management System (GMSWeb). Access to GMSWeb is secure; therefore you must have a CalRecycle WebPass in order to log into the system. Applicants who have not previously obtained a CalRecycle WebPass can create an account at the [CalRecycle WebPass site \(https://secure.calrecycle.ca.gov/WebPass/\)](https://secure.calrecycle.ca.gov/WebPass/).

After logging into [GMSWeb \(https://secure.calrecycle.ca.gov/Grants\)](https://secure.calrecycle.ca.gov/Grants), select "Grant Application Search" on the left. Open grant cycles are displayed in a table. Find Tire Incentive Program, TIP1: 2013/2014 and select "Apply."

APPLICATION CONTENTS AND INSTRUCTIONS

The components of the application are divided into tabs. To fill out an application, click on each tab and complete the sections in each tab as required. General directions are on the top of each tab and detailed information about requirements for each tab is listed below.

Summary Tab

This tab provides a summary of the application, due dates, resource documents and links, application documents, and the Application Submission section. It is the applicant's responsibility to ensure that all required documents, based on the individual grant application/project, are submitted by the appropriate due date.

Applicant/Participant Tab

The applicant name is the legal name of the jurisdiction/organization that is legally responsible for grant administration, if awarded.

- For businesses, the name may not appear in GMSWeb. If your business is not listed, please manually enter your business' information and select "private" for Organization Type.
- Select the Lead Applicant radio button. Every application must have a Lead Applicant. Participating Jurisdictions are not required for this grant, skip the radio button. See GMSWeb instructions for more information.

Detail Tab

Complete this tab as follows:

- Enter a dollar amount in the Grant Funds Requested field. To determine amount, complete the Narrative Proposal document, found on the **Summary tab**, in the **Application Documents** section. Do not enter less than the minimum grant award amount of \$50,000 or exceed the maximum grant award amount of \$500,000. Please round all amounts to the nearest whole dollar.
- Matching Funds are not required for this grant, skip the Matching Funds field.
- Enter the Assembly Districts and Senate Districts. To select more than one district hold the "Ctrl" key while selecting the numbers.
- Enter the applicant's legal name, e.g. "ABC Manufacturing, Inc."
- Enter the grant payment mailing address.
- Project Summary/Statement of Use: provide a concise description of the product(s), Incentive Category(ies), estimated amount of rubber to be used in each category, and amount requested.
- Select the appropriate option for the Resolution or Letter of Commitment Requirement and optional Letter of Designation.
- Select the appropriate option for the Environmentally Preferable Purchasing and Practices Policy (*must answer YES to be eligible*).
- Select the appropriate answer for Program Questions (*must answer YES to be eligible*).
If awarded a grant, does the applicant certify and agree that all of the crumb rubber used by it during the term of the grant and for three years thereafter shall be:

- From only California-generated waste tires processed by an eligible California waste tire processor, or
- From recycled post-consumer and/or post-industrial scrap rubber which rubber originated from an eligible California waste tire processor.

Contacts Tab

The application must include only one Primary Contact and at least one Signature Authority. Each contact entered into the application may be granted access by checking the box on the bottom of the contact's detail screen. The contact will be able to log into GMSWeb using his/her own CalRecycle WebPass and access the application.

- **Primary Contact.** One person who has been authorized by the Signature Authority/Designee to manage and oversee the grant. This person will be the first contact with whom the grant manager will communicate.
- **Signature Authority.** The person(s) authorized to sign CalRecycle documents, such as grant applications, grant agreements, etc., as authorized by a board/council-adopted Resolution, Letter of Designation, or Letter of Commitment (if applicable).
- **Secondary Contact.** A person authorized (by the Primary Contact or Signature Authority/Designee) as the alternate person with whom the grant manager will communicate. (Not required)
- **Consultant.** A professional who provides advice in a particular area of expertise. If the applicant is awarded a grant, the consultants may manage the grant or only conduct specific activities, based on a written agreement between the applicant and the consultant outlining work to be performed. (Not required)

Budget Tab

Enter a dollar amount in the **Materials** budget category. Total budgeted amount must equal the Grant Funds Requested amount.

See Grant Cycle Overview section titled "Eligible Costs" for further information.

Site(s) Tab

Add an entry for each manufacturing location.

See Grant Cycle Overview section entitled "Eligible Projects" for further information.

Documents Tab

See the Application Documents section for documents that must be uploaded in the Documents tab. When uploading a document, enter a document title, select the appropriate document type from the drop down list, and enter the date that it was executed/signed, if applicable, or select "today's date."

After all the application documents are uploaded, return to the **Summary Tab** and print the **Application Certification** from the **Application Submission** section. The applicant must obtain a signature from the authorized Signature Authority, scan the document, upload it, and retain the original hard copy document.

See the section entitled "Application Documents" for more information about document requirements.

APPLICATION SUBMITTAL and DEADLINE

The **Submit Application** button will be enabled after all required documents have been uploaded. Click the **Submit Application** button and then the application status will change to **Submitted**. The application can only be submitted once.

Applications must be submitted no later than 11:59 p.m. on **April 28, 2014**. Customer service will be available until 4:00 p.m. on the application due date.

APPLICATION DOCUMENTS

Each applicant must upload certain documents in addition to filling out the application. The application is not complete until all required documents have been uploaded to the Documents tab of the GMSWeb application.

CALRECYCLE DOCUMENTS

You can locate the CalRecycle documents on the Summary tab, in the Application Documents section. To access the document, you must click on the link, open it up, fill it out, save it to your computer, and then upload it to the Documents tab. Below is a list of the documents.

General Checklist of Business Permits, Licenses and Filings (CalRecycle 669)

This is a required document to certify compliance, under penalty of perjury, with all required permits, licenses, and filings, both during the application process, and during the grant term and funding process.

Narrative Proposal

The Narrative Proposal document is used to describe the general scope of your proposed project. Please keep in mind that responses are public information and may be obtained through a public records request. The response size for each section is limited to 2,500 characters and cannot be expanded. Utilizing a document form other than the official CalRecycle versions, tampering with the CalRecycle version or otherwise circumventing imposed character limits will subject the applicant to disqualification from the TIP. The Narrative Proposal must be completed with the following information:

- 1. Eligible Product(s) Description**

Please provide a general description of the product. Indicate the appropriate range for existing/anticipated crumb rubber content and crumb rubber mesh size(s). You must upload two digital photographs of each product with a title matching the product description to the Documents tab of GMSWeb.

- 2. Timeline and Process**

Describe the anticipated timeline and general process to commence or increase sales. Identify any necessary tests and proposed testing facility (if known) to substitute crumb rubber for virgin rubber, plastic, or other raw materials.

Sales and Calculations

The Sales and Calculations document is used by the applicant to provide more detail about sales and calculation information for the proposed project. This information will be considered confidential and a “trade secret” consistent with Public Resources Code 40062. Access will be restricted to the applicant (and its authorized users) and limited CalRecycle staff. You may upload the information in an alternate format as long as it contains the information identified below.

- 1. Production and Sales Estimates**

Please provide the production and sales estimates for each TDP, including weight, crumb rubber amount, mesh size, sales quantity, and amount.

- 2. Quarterly Sales**

Please provide the sales and customer contact information for the identified product(s) for the past two calendar years.

- 3. Anticipated Sales**

Describe the anticipated sale (and rationale for estimate) of identified products through the term of the grant, May 2014 to April 1, 2016.

4. Calculation for Requested Grant Amount

Use the template shown below to provide information on the calculation you used for requesting the grant amount shown on the Detail Tab of your application. It is designed to assist in calculating the grant amount based on required entries (e.g. length, width, height, delivered cost, and the cost for engineering and testing). Calculation of requested grant amount is: $B \times C \times E = F$

A	B	C	D	E	F
Product	Increase in crumb rubber usage over prior year (pounds)	Time of production and sales (in years)	Reimbursement category	Reimbursement rate (cents per pound)	Incentive amount
xxx	100,000	2	Existing TDP	.10	20,000
xyz	175,000	1.75	Feedstock conversion	.20	61,250
123	95,000	1.5	Fine mesh	.20	28,500

APPLICANT'S DOCUMENTS

The following provides information and examples of documents that you, as the applicant, must provide. It is the applicant's responsibility to ensure that the documents necessary to complete its application are uploaded to the Documents tab of GMSWeb.

All applicants are required to provide the following documents:

Federal Tax Return

Provide information for the most recent completed tax year (the first two pages of the tax return, tax return financial statement, and expense detail sheets or schedule C for a sole proprietorship). CalRecycle may request additional information if necessary to determine applicant eligibility.

When this information is uploaded to GMSWeb, and the Tax Return or Financial Information document types are selected, additional securities that restrict access to view this document will be automatically in place.

California Waste Tire Processor Letter

Applicants must upload a letter from the California waste tire processor affirming that only California-generated waste tires were used to produce the crumb rubber. Additionally, the processor agrees to allow CalRecycle or any other appropriate state entity to review its records to verify the use of California-generated waste tires.

CalRecycle requires that all crumb rubber must be from California-generated waste tires processed in California. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, CalRecycle considers crumb rubber from a California processor eligible for reimbursement even if a de minimis amount (not more than five percent) of the tires processed during a fiscal year at a facility were from non-California sources. Crumb rubber from tires processed outside California is not eligible under the TIP.

The following letter is for example purposes only. Please consult with your attorney to determine the language most appropriate for the certification.

California Waste Tire Processor Letterhead

Date

I am (job title) of (name of California waste tire processor). I am authorized to contractually bind (name of California waste tire processor). (Name of California waste tire processor) may or will provide crumb rubber to (name of applicant). I certify under penalty of perjury that only crumb rubber from California-generated waste tires was processed at our California facility. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, I understand that CalRecycle considers crumb rubber from a California processor eligible for reimbursement to a Tire Incentive Program grantee even if a de minimis amount (not more than five percent) of the tires processed

during a fiscal year at a facility were from non-California sources. I understand that crumb rubber from tires processed outside California is not eligible under the TIP.

I understand that if it cannot be verified that the source of the material is from only California-generated waste tires, or an audit discloses the use of non-California tire rubber in excess of five percent during the current or immediately preceding fiscal year, that CalRecycle may deny reimbursement or require the grantee to return all grant funds previously paid under this grant, and that the grantee may seek reimbursement from **(name of California waste tire processor)**.

Audit/Records Access:

(Name of California waste tire processor) agrees that CalRecycle, the Department of Finance, the Bureau of State Audits, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to this certification or the products certified herein.

(Name of California waste tire processor) agrees to maintain such records for possible audit for a minimum of three (3) years after final payment date or grant term end date, whichever is later, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. **(Name of California waste tire processor)** agrees to allow the designated representative(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, **(name of California waste tire processor)** agrees to include a similar right of the state to audit records and interview staff in any contract or subcontract related to this Certification or the products certified herein.

The current **(job title)** is identified below:

Name & Job Title

Signature

Mailing Address

City, State, Zip Code

Telephone Number

Client Authorization Letter

If the applicant produces an eligible product on behalf of another entity, the applicant is required to upload a Client Authorization letter. The letter authorizes the applicant to produce their product(s), or in the case of a compounder or rubber calendering company, to manufacture an intermediate product, and receive any applicable Tire Incentive Program funds. The letter(s) must be on the client's official letterhead, dated within 12 months prior to the application deadline, and uploaded by the applicant. The letter(s) with the original signature must be maintained by the applicant in its TIP file.

Client's Letterhead

Date

I am **(job title)** of **(name of business client)**. I am authorized to contractually bind **(name of business client)**. Pursuant to this authority, I hereby authorize **(name of applicant)** to submit an application, produce our product(s), or in the case of a compounder or rubber calendering company, to manufacture an intermediate product, and receive any applicable Tire Incentive Program funds.

Signature

Name & Job Title

Mailing Address

City, State, Zip

Below is a list of documents that the applicant is responsible for obtaining and uploading to their application. For examples of these documents, please see the **Resolution and Letter Examples** link found on the **Summary Tab** under **Resource Links**.

Resolution Information

Any applicant that is subject to a governing body must upload a Resolution that authorizes specific grant-related matters. A copy of the authorizing Resolution is a required application document that must be uploaded no later than the secondary due date or the application will be deemed incomplete and will be disqualified. Resolution requirements vary for individual and regional lead applications. See the **Resolution and Letter Examples** link for more information.

Individual Application Requirements:

1. The Resolution must authorize submittal of an application for one or more specifically named CalRecycle grant(s) or for all CalRecycle grants for which the applicant is eligible.
2. The Resolution must identify the period of time, up to five years, during which the authorizations are valid. Five years is encouraged; however, periods of less than five years are acceptable. If a Resolution submitted to CalRecycle does not specifically identify a period of time, it will be considered valid for one year from the date of adoption.
3. The Resolution must identify the job title of the person authorized to sign all grant-related documents necessary to implement and close-out the grant(s) (Signature Authority).

(Optional but encouraged) The Resolution should authorize the Signature Authority to delegate his/her signature authority to another person identified by job title. The Signature Authority must sign a Letter of Designation prior to the Designee's exercise of his/her authority.

Letter of Commitment

Applicants that are not subject to a governing body must upload a Letter of Commitment no later than the secondary due date or the application will be deemed incomplete and will be disqualified. The letter with the original signature must be maintained in the applicant/grantee grant file. This letter must:

- Authorize submittal of the Tire Incentive Program application on behalf of applicant.
- Designate the job title of the person authorized to execute all grant documents necessary to secure grant funds and implement the approved grant project (Signature Authority).
- Authorize the Signature Authority to delegate this authority (*not required but encouraged*).

Letter of Designation

A Letter of Designation is required **ONLY** when the authorized Signature Authority delegates his/her authority to another person. First, the approved Resolution must indicate the Signature Authority's ability to delegate or designate his/her authority. Second, the letter must be uploaded prior to the Designee's exercise of his/her authority. For example, if the Designee signs the Application Certification in place of the Signature Authority, the letter must be uploaded when the Application Certification is submitted. The letter must:

- Be on the Applicant's letterhead.
- Identify the job title of the Designee.
- Identify the scope of the Designee's authority.
- Identify the period during which the Designee may exercise the authority. The Designee's authority may not extend beyond the effective date of the approved Resolution (for example, if the Resolution is effective until December 31, 2014, then the Letter of Designation may not be effective beyond December 31, 2014). If a time period is not identified then the letter will follow the same time frame as the Resolution.
- It must be signed by the Signature Authority.

Letter of Authorization

A Letter of Authorization is used for grants that allow for Regional applications. It is prepared by the Participating Jurisdiction and gives the Lead Participant authorization to apply for and to act on its behalf in the implementation and administration of the grant/program. The Regional Lead Participant must

upload the Letter of Authorization no later than the secondary due date or the Participating Jurisdiction(s) will be removed from the application. The letter with the original signature must be maintained in applicant/grantee grant file. The letter must:

- Be on the Regional Participant's official letterhead.
- Be dated within 12 months prior to the application deadline.
- Authorize the Regional Lead to submit a regional application and act as Lead Agency on behalf of the Participating Jurisdiction.
- Authorize the Regional Lead to execute all documents necessary to implement the grant.
- Be signed by an individual authorized to contractually bind the Participating Jurisdiction.

GRANT REVIEW AND AWARD PROCESS

GRANT APPLICATION REVIEW PROCESS

After the close of the application period, CalRecycle Staff will review the applications for completeness and eligibility. Only complete applications can be considered for award. Each product will be evaluated for eligibility separately.

If there are more requests than available funds (i.e., the program is oversubscribed), available monies will be allocated in approximately equal amounts for each of the three categories. Eligible applications will be ranked within each of the three categories (see Incentive Categories and Amounts Table in the Eligible Costs and Incentive Amounts section) according to the greatest amount of crumb rubber projected to be used. If an application has products in more than one category, the amount of crumb rubber for the higher numbered category will be considered for ranking purposes.

Appeals of staff's recommendation may be made to the Deputy Director.

GRANT AWARD PROCESS

For qualifying applications, CalRecycle Staff will develop funding recommendations for the consideration and approval of CalRecycle's Director, or her designee; this is tentatively scheduled for May 2014. CalRecycle reserves the right to partially fund or fund individual phases of selected proposals, and CalRecycle may fund an amount less than requested.

CalRecycle reserves the right to not award any grant funds under one or more cycles.

GRANT AWARDS CONDITIONS

When awarded, this grant will be subject to two conditions:

- 1) The recommended grantee's Signature Authority (or where delegation is authorized), his/her Designee must sign and return the Grant Agreement to CalRecycle by June 24, 2014.
- 2) The recommended grantee must a) pay all outstanding debts due CalRecycle, or b) bring current outstanding payments owed to CalRecycle by June 24, 2014.

Failure to comply with either requirement will void the grant award.

GRANT PROGRAM ADMINISTRATION

GRANT AGREEMENT

Following CalRecycle's conditional approval of the grant awards, grantees will be emailed the following:

- Award letter.
- Grant Agreement Cover Sheet (CalRecycle 110).
- Exhibit A – Terms and Conditions: contain CalRecycle standard legal requirements for grants.
- Exhibit B – Procedures and Requirements: contain specific requirements for administering this grant, including but not limited to project, reporting, and audit requirements.
- Exhibit C – Grantee's Approved Application with revisions, if any, and any amendments

REPORTING PROCESS

Grantees are required to report on the progress of their Grant on a quarterly basis. The Final Report is due on April 1, 2016. Detailed reporting information is included in the Procedures & Requirements – Exhibit B of the Grant Agreement.

Grantees will provide information related to the use of crumb rubber and TDP sales for three years following the end of the grant term.

PAYMENT REQUEST PROCESS

Eligible costs are authorized for reimbursement upon the Grant Manager's approval of the Payment Request, and if required, the accompanying Progress/Final Report. Payment Requests must include itemized documentation of claimed expenses (e.g., itemized receipts and proof of payment of invoices). Ten percent of each approved Payment Request amount will be retained by CalRecycle until the Grant Manager approves the Final Report, the Final Payment Request and all required supporting documentation. Failure to submit these final documents by the deadline specified in the Procedures & Requirements or failure to receive the Grant Manager's approval of these documents by April 1, 2016, may result in the nonpayment of otherwise eligible costs. Detailed payment information is included in the Procedures & Requirements – Exhibit B of the Grant Agreement.